

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-024  
(Filed February 21, 2001)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Loops in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-035  
(Filed February 28, 2001)

Application of The Telephone Connection Local Services, LLC (U 5522 C) for the Commission to Reexamine the Recurring Costs and Prices of the DS-3 Entrance Facility Without Equipment in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-031  
(Filed February 28, 2002)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Interoffice Transmission Facilities and Signaling Networks and Call-Related Databases in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-032  
(Filed February 28, 2002)

Application of Pacific Bell Telephone Company (U 1001 C) for the Commission to Reexamine the Costs and Prices of the Expanded Interconnection Service Cross-Connect Network Element in the Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-034  
(Filed February 28, 2002)

Application of XO California, Inc. (U 5553 C) for the Commission to Reexamine the Recurring Costs of DS1 and DS3 Unbundled Network Element Loops in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-03-002  
(Filed March 1, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING PREHEARING CONFERENCE TO DISCUSS  
SCHEDULE FOR NEXT PHASE OF 2001 UNBUNDLED NETWORK  
ELEMENT (UNE) REEXAMINATION FOR PACIFIC BELL TELEPHONE  
COMPANY (PACIFIC) AND TO DISCUSS SCOPE AND SCHEDULE FOR  
2002 UNE REEXAMINATION FOR PACIFIC**

**Summary**

This ruling announces a joint prehearing conference (PHC) on June 3, 2002 at which time issues related to consolidated Applications (A.) 01-02-024/A.01-02-035 (jointly referred to as the "2001 UNE Reexamination") and A.02-02-031/A.02-02-032/A.02-02-034/A.02-03-002 (collectively referred to as the "2002 UNE Reexamination") will be discussed. This ruling does not consolidate the applications relating to the 2002 UNE Reexamination with the 2001 UNE case at this time, although the concept of consolidation of the 2001 and 2002 Reexaminations will be discussed at the PHC.

## **Background**

In a ruling of September 28, 2001, the Assigned ALJ and Assigned Commissioner suspended the schedule for the 2001 UNE Reexamination that was initially established in a June 14, 2001 scoping memo. The purpose of the suspension was to consider a motion for interim relief filed by AT&T Communications of California and Worldcom Inc. (hereinafter “Joint Applicants”). On May 16, 2002, the Commission issued Decision (D.) 02-05-042 granting the motion for interim relief, in part, and adopting interim discounts to unbundled loop and switching rates for Pacific Bell Telephone Company (Pacific). Now that the Commission has adopted interim rates, the Commission must set a schedule for the remainder of this case to establish final rates for Pacific’s unbundled loop and switching network elements.

In late February and early March 2002, the Commission received four applications nominating specific UNEs for the 2002 Reexamination proceeding. Specifically, the nominations received are as follows:

- A.02-02-031, filed by The Telephone Connection Local Services, LLC (Telephone Connection), requesting reexamination of the DS-3 entrance facility without equipment.
- A.02-02-032, filed by AT&T Communications of California, Inc. and Worldcom, Inc. (collectively “Joint Applicants”), requesting reexamination of Interoffice Transmission Facilities (“transport”) and Signaling Networks and Call-Related Databases (“signaling”).
- A.02-02-034, filed by Pacific Bell Telephone Company (Pacific), requesting reexamination of the Expanded Interconnection Service Cross-Connect.
- A.02-03-002, filed by XO California, Inc. (XO), requesting reexamination of DS-1 and DS-3 loops.

Comments on these nominations were filed by Pacific, The Utility Reform Network (TURN), Joint Applicants, and XO.

Based on these nominations, the Commission must now decide which, if any, of the nominations to accept and a schedule for cost study filings, comments and/or hearings for the chosen UNE(s).

### **Prehearing Conference**

On June 3, 2002, a PHC will be held beginning at 9:30 a.m. in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. The purpose of the PHC is to discuss the following:

- Whether the Commission should consolidate the applications pertaining to the 2002 UNE Reexamination with the final phase of the 2001 UNE Reexamination.
- How the UNEs nominated in the 2002 UNE Reexamination, if accepted, might impact the schedule for the final phase of the 2001 UNE Reexamination.<sup>1</sup>
- Which cost studies/models parties expect to propose for the final phase of the 2001 UNE Reexamination and whether those cost studies/models calculate costs for unbundled loops and switching as well as the items nominated in the 2002 Reexamination. Specifically, do the suggested models calculate rates for:
  - All loop elements
  - All switching and port elements
  - vertical switching features
  - 2002 UNE nominations

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<sup>1</sup> In filings in the 2002 UNE Reexamination, parties appear confused on whether the DS-1 loop is included in the final phase of the 2001 Reexamination. The DS-1 loop is included in the current 2001 Reexamination so there is no need to address its nomination for the 2002 Reexamination.

- Whether the Commission should expand or modify the three criteria for cost studies and/or cost models that were set forth in the July 11, 2001 ruling in this proceeding and applied in D.02-05-042.<sup>2</sup>
- Whether it makes sense, given the issues raised with Pacific's August 15, 2001 cost filing in the 2001 Reexamination, for Pacific to submit cost studies/models from another SBC-affiliated state for use in the 2001 and 2002 Reexaminations.
- A potential schedule for filing cost studies/models, testimony or comments, hearings, and briefs in both the 2001 and 2002 Reexaminations.
- Whether parties anticipate a need for hearings in either the 2001 or 2002 UNE Reexaminations.

Parties are directed to file and serve PHC statements on the issues listed above, and any other issues they believe should be discussed at the PHC, no later than May 29, 2002. In addition, parties are directed to meet and confer to attempt to reach agreement on a schedule for the final phase of the 2001 UNE Reexamination. Parties should discuss scheduling possibilities that include scenarios where the 2001 and 2002 Reexaminations are consolidated. Parties should report on the results of this effort in their PHC statements.

The PHC statements should be filed and served in paper form. In addition, the parties shall provide the assigned Administrative Law Judge and the office of the Assigned Commissioner with an electronic copy addressed to dot@cpuc.ca.gov and jol@cpuc.ca.gov no later than 5:00 p.m. on May 29, 2002.

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<sup>2</sup> The July 11, 2001 ruling required that Pacific's cost models and cost studies must allow parties to 1) reasonably understand how costs are derived; 2) generally replicate Pacific's calculations; and 3) propose changes in inputs and assumptions in order to modify the costs produced.

### **Service List**

At this time, there is no service list established for the 2002 UNE Reexamination. In filing the 2002 nominations, several applicants served their applications on the service list for the 2001 Reexamination. Other applicants used the established list from Rulemaking (R.) 93-04-003/Investigation (I.) 93-04-002 (the "OANAD proceeding"). I will use the service list for the 2001 Reexamination as a temporary service list for the 2002 case until I can set up a new list for the 2002 Reexamination, or until the Commission decides whether to consolidate the 2001 and 2002 cases. To ensure that all interested parties are aware of the 2002 nominations, this ruling will also be sent to the service list from the OANAD proceeding to alert any parties interested in the 2002 Reexamination that they need to file a new appearance. At the PHC, any party that is not already on the 2001 UNE Reexamination list and wants to be included on a new service list for the 2002 UNE reexamination should file a new appearance.

Accordingly, **IT IS RULED** that:

1. A joint prehearing conference (PHC) will be held on the above-captioned proceedings on June 3, 2002 at 9:30 a.m. as set forth herein.
2. Parties shall meet and confer prior to the PHC to attempt to reach agreement on a schedule for the final phase of the 2001 UNE Reexamination.
3. Parties shall file and serve PHC statements as directed in this ruling no later than May 29, 2002, with an electronic copy to the ALJ and assigned Commissioner's office.
4. The service list for A.01-02-024/A.01-02-035 (2001 UNE Reexamination) will serve as a temporary service list for A.02-02-031/A.02-02-032/A.02-02-034/

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A.02-03-002 (2002 UNE Reexamination) until appearances in the 2002 UNE Reexamination are taken at the June 3 PHC.

5. This ruling shall be sent to service list for Rulemaking (R.) 93-04-003/Investigation (I.) 93-04-002 ("OANAD proceeding"), in addition to the service list for the captioned proceedings.

Dated May 21, 2002, at San Francisco, California.

/s/ DOROTHY J. DUDA

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Dorothy J. Duda  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference to Discuss Schedule for next Phase of 2001 Unbundled Network Element (UNE) Reexamination for Pacific Bell Telephone Company (Pacific) and to Discuss Scope and Schedule for 2002 UNE Reexamination for Pacific on all parties of record in this proceeding or their attorneys of record and R.93-04-003/I.93-04-002 (OANAD Proceeding).

Dated May 21, 2002, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,



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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.